



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

June 1, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
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YVONNE B. BURKE
Second District

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MOTION TO OPPOSE THE PRESIDENT'S BUDGET PROPOSAL ON THE HOUSING CHOICE VOUCHER PROGRAM (ITEM NO. 2, AGENDA OF JUNE 1, 2004)

Item No. 2 on the June 1, 2004 Agenda is a motion by Supervisor Burke to oppose the President's budget proposal on the House Choice Voucher (HCV) program and any other efforts that would weaken the Housing Authority's ability to effectively administer the program, instruct the County's Washington advocates to work for the defeat of the proposal, and send a five-signature letter to the California Congressional delegation opposing the proposal.

The President's Federal Fiscal Year (FFY) 2005 Budget includes a proposal to convert the existing Section 8 Housing Choice Voucher program, which provides rental housing subsidies to low income families, into a new "Flexible Voucher" program. While the HCV program is a unit-based funded program under which public housing authorities (PHAs), such as the County's, receive allocations to fund a specified number of housing units, the new program would be "dollar-based" funded. That is, PHAs would receive a fixed allocation with greater flexibility over the use of funds.

The County's Housing Authority, the National Association of Housing and Redevelopment Officials (NAHRO), and many other housing organizations oppose this budget proposal because it would provide \$1.9 billion less than the amount needed to fully fund all current housing vouchers in FFY 2005, according to NAHRO estimates. The funding shortfall would grow over time if program funding is fixed at the current level and rental housing costs continue to rise. They believe that the greater flexibility under the Flexible Voucher program, therefore, would mean little more than greater flexibility on how to cut expenditures. For example, under the Administration's proposal, instead of reducing the

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number of housing units receiving subsidies, PHAs would be allowed to provide fewer vouchers to very low income families and reduce the size of rental subsidies relative to tenants' incomes.

The Federal Legislative Agenda adopted by your Board on January 20, 2004 includes a funding priority to support increased funding for public housing and Section 8 programs, including the HCV program. The motion's recommendation to oppose the President's budget proposal which would cut HCV funding, therefore, is consistent with current Board policy. The Congress has not yet scheduled any action on the FFY 2005 appropriations bill which funds Department of Housing and Urban Development programs.

DEJ:GK
MAL:MT:ib

c: Executive Officer, Board of Supervisors
County Counsel
Community Development Commission/Housing Authority